

MISSOURI RURAL HEALTH TRANSFORMATION



A Guide for Stakeholders

Updated: October 30, 2025



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Introduction

Understanding the Rural Health Transformation Program (RHTP)



The RHTP is a landmark \$50 billion federal investment designed to reshape healthcare in rural communities across America.



This five-year program is a significant opportunity to build a stronger, more sustainable healthcare system for the future.



In Missouri, the Department of Social Services (DSS), through its MO HealthNet Division, is leading the state's application effort in close collaboration with the Department of Health and Senior Services (DHSS), the Department of Mental Health (DMH), and numerous stakeholders.

What is the intention of the program?



Rural communities have long struggled with healthcare challenges, such as hospital closures and doctor shortages, leading to poor health outcomes. The RHTP was established to tackle these persistent issues directly.



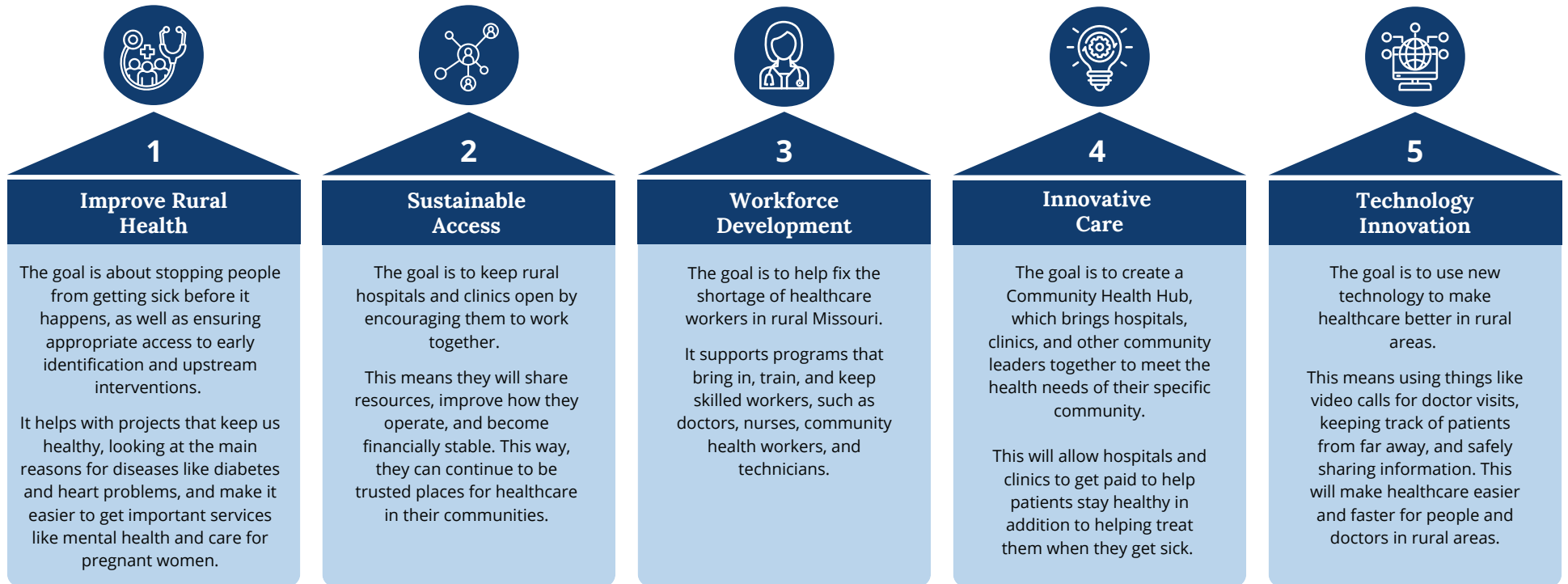
The program signifies a major change in federal policy, focusing on supporting states to implement systemic, long-term changes rather than just providing temporary financial aid.



The aim is to transition from a healthcare system that faces challenges in rural regions to one that is financially secure and fosters innovation.

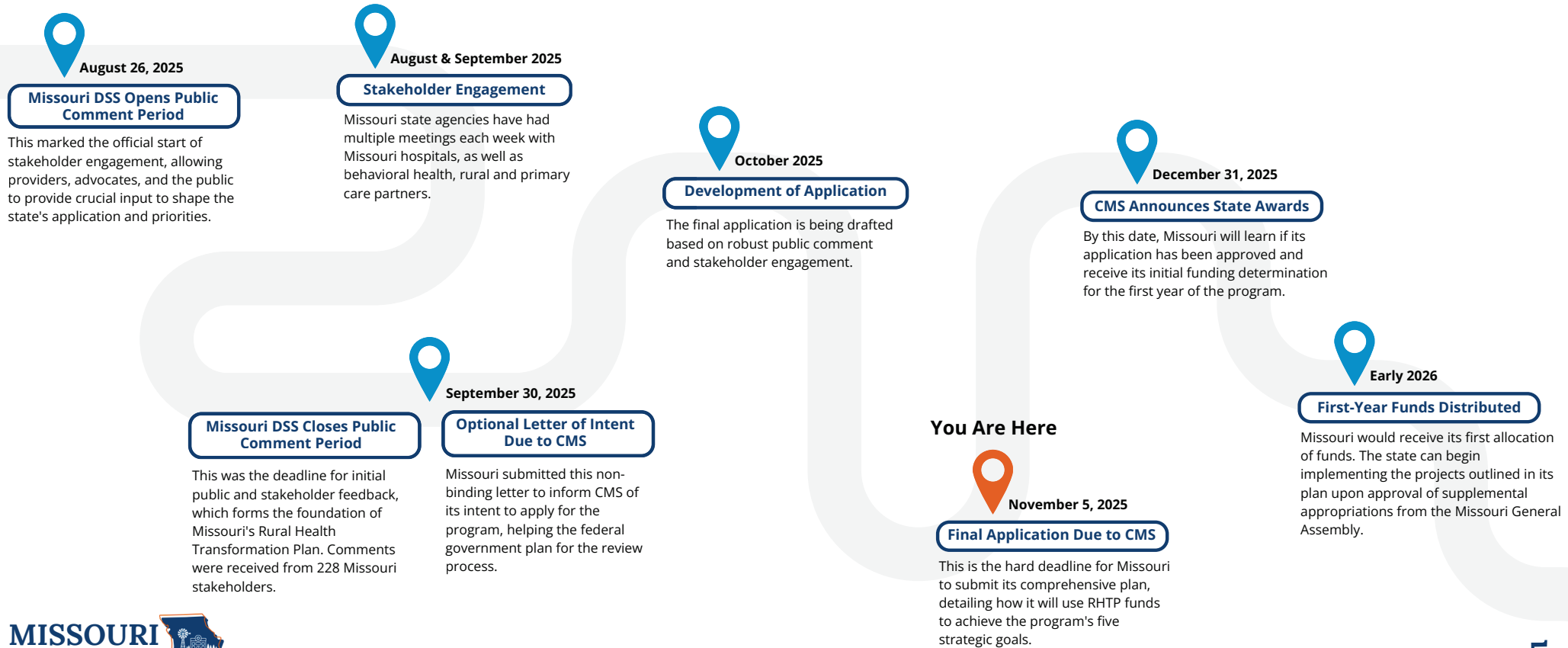
The Five Strategic Goals

The Centers for Medicare & Medicaid Services (CMS) has outlined five core goals that guide the RHTP. These goals provide a clear roadmap for the types of projects Missouri will pursue to transform its rural healthcare landscape.



The Road to Transformation: A Timeline for Missouri

The RHTP has a structured timeline with several key dates that guide the application process. Understanding this timeline helps stakeholders see how the state moves from planning to action.



A Toolbox for Change: How States Can Use RHTP Funds

The RHTP provides states with a broad and flexible "toolbox" of approved activities. To be approved, Missouri's plan must include investments in at least three of the categories below. These categories directly align with the program's five strategic goals.

Category	Overview	Potential State Examples
Prevention and Chronic Disease	Funding programs that use evidence-based methods to prevent and manage chronic conditions.	Expanding the use of providers such as Pharmacists, Community Paramedics and Community Health Workers to address chronic diseases at their root cause.
Provider Payments	Making payments to healthcare providers for services, particularly as part of new, innovative payment models.	A new payment model for providers to help <i>prevent</i> diseases at their root cause in addition to treating those conditions.
Consumer Tech Solutions	Promoting technology that patients can use themselves to manage their health.	Using the latest technology tools, including Artificial Intelligence, to help predict and manage chronic diseases.
Training and Technical Assistance	Helping rural hospitals adopt advanced technologies like remote monitoring, robotics, or artificial intelligence.	Provide training to healthcare workers and others on the latest technology such as Artificial Intelligence to make their more efficient.
Workforce	Recruiting and retaining healthcare professionals in rural areas, with a requirement that they serve in the community for at least five years.	Connecting rural high school students who are interested in health care careers with internships and other healthcare related opportunities.
IT Advances	Providing funds for significant upgrades to information technology, including software, hardware, and cybersecurity.	Connecting rural healthcare facilities with specialists using telemedicine for complex and urgent medical and behavioral health care.
Appropriate Care Availability	Assisting rural communities in determining the right mix of healthcare services they need to be sustainable.	Using a combination of technology such as telemedicine and additional workforce members such as community paramedics and pharmacists to connect patients with the right care at the right time at the right place.
Behavioral Health	Supporting access to mental health and substance use disorder treatment.	Funding the two-year college education for front-line behavioral health workers.
Innovative Care	Developing new models of care, including value-based payment arrangements.	Establishing local community-based health Hubs across the state in which hospitals, doctors, rural clinics, behavioral health providers and community-based organizations like food pantries and school-based clinics work together to improve the health of their community.
Fostering Collaboration	Creating strategic partnerships between rural facilities and other providers to improve quality, financial stability, and access to care.	Establishing regional networks run by a collaboration of hospitals, clinics, and behavioral health professionals to coordinate the care most needed in their region.

How Much Funding is Available?

The RHTP will distribute a total of \$50 billion nationwide over five federal fiscal years (2026-2030), with \$10 billion made available each year.

Baseline Funding (\$25 Billion Available Nationwide)

Half of the program's funding is Baseline Funding, equally distributed among states with approved applications. If all 50 states are approved, each would receive about \$100 million annually.



Workload Funding (\$25 Billion Available Nationwide)

The other half of the program's funding is Workload Funding, distributed competitively based on a state's rural needs and the quality of its transformation plan.

What Amount will Missouri Receive?

If Missouri's application is approved, the state will receive a portion of these funds through a two-part model designed to provide both a stable foundation and an incentive for high performance. Estimates suggest Missouri could receive up to \$200 million annually through this program.

Baseline Funding

Baseline Funding is distributed over 5 years. This ensures a stable annual funding stream, allowing Missouri to support its transformation plan.



Workload Funding

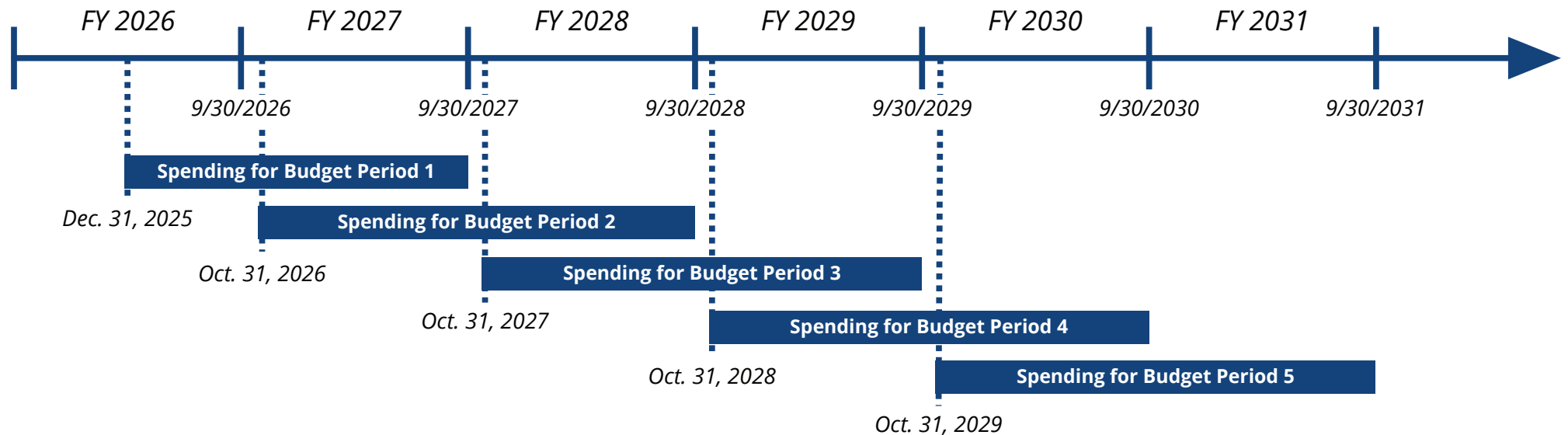
Missouri can secure significant additional funding by effectively showcasing its rural health challenges and presenting a strategic, impactful future plan.

Funding Timeline

Funding is granted over five annual budget periods, allowing Missouri until the end of the following federal fiscal year (September 30) to utilize the funds. For instance, funds awarded for the first budget period in early 2026 can be spent until September 30, 2027. This will require careful planning for complex, multi-year projects.

For each budget period, recipients will have until the end of the following federal fiscal year (September 30) to spend awarded funding.

- Recap: Budget Period will start on December 31, 2025. The Federal Fiscal Year begins October 1, but the subsequent Budget Period funding for RHTP will be distributed in November of each fiscal year.



Following the Rules: Key Limitations and Spending Caps

To ensure funds are used for their intended transformative purpose, CMS has established clear rules and limitations.

Program-Specific Funding Caps

CMS has set limits on how much of a state's annual award can be spent on certain categories. These caps ensure a balanced investment across different aspects of healthcare transformation.

Spending Category	Maximum Allowed
Administrative Costs (State-level program management, oversight)	10% of the state's total annual award
Capital Expenditures (Renovations, equipment upgrades)	20% of the state's total annual award
Provider Payments (For direct healthcare services not otherwise billable)	15% of the state's total annual award
Replacing an Existing Certified EHR System	5% of the state's total annual award
"Rural Tech Catalyst Fund" Initiatives (Funding for health tech startups)	The lesser of 10% of the annual award or \$20 million

Prohibited Uses

RHTP funds cannot be used for the following:



New Construction

Building entirely new facilities is not allowed. However, funds can be used for renovations, alterations, or equipment upgrades in existing buildings.



Supplanting Funds

The money is intended for new or expanded activities. It cannot be used to replace or substitute existing state, local, or private funding for a project that is already underway or budgeted.



Duplicating Billable Services

Funds cannot be used to pay for clinical services that are already reimbursable through programs like Medicaid, Medicare, or private insurance. The goal is to transform care delivery, not just pay for more of the same services.



Lobbying

Federal funds cannot be used for activities designed to influence the passage of legislation or other government actions.

Calculating Missouri's Award: The Federal Scoring Formula

The amount of Workload Funding Missouri receives each year is determined by a formula that combines two distinct scores.



The Rural Facility and Population Score

This score is a snapshot of Missouri's existing rural healthcare needs and challenges. It is calculated by CMS only once at the beginning of the program and will not change over the five years. It is based on several data-driven factors, including:

- The total number of people living in rural areas of the state.
- The number and proportion of rural health facilities, such as Critical Access Hospitals and Rural Health Clinics.
- The level of uncompensated care provided by hospitals in the state.
- The percentage of the state's total population that live in rural areas.
- The state's total land area and the presence of very remote "frontier" areas.
- The percentage of hospitals that receive Medicaid Disproportionate Share Hospital (DSH) payments.



The Plan and Performance Score

The score evaluates Missouri's transformation plan quality, strategic vision, and performance, recalculated annually by CMS based on progress. This annual rescoring transforms the RHTP from a simple grant to a dynamic, performance-based partnership. Unlike typical grants focused on compliance, RHTP ties future funding to current performance; successful implementation can increase funding, while failures may lead to lower scores and reduced funding. This structure incentivizes effective execution and robust project management from the start.

Missouri's Approach

Vision

Rural Missourians have access to the high-quality care they need, through or from a well-aligned delivery system that is built to last.

Core Objectives

DSS is organizing and prioritizing initiatives in the application according to three overarching objectives:



Access to Care

Ensure rural Missourians can access primary and behavioral health providers close to home, community-based maternity options, with connections to specialists and complex care enabled by telehealth and provider interoperability



Health Outcomes

Strengthen healthcare quality through integrated care coordination, aligned incentives, and evidence-based practices – so rural Missourians consistently experience seamless, high-value care



Sustainability

Strengthen the long-term sustainability of rural providers through targeted investments in infrastructure, adoption of innovative technologies, and payment models that reflect the realities of rural care delivery

Initiatives



Rural Health Network and Hubs

Create community hubs supported by regional networks as the backbone that connects every rural resident to seamless high-quality care through:

- Access expansion through and beyond traditional providers (e.g., pharmacy, Emergency Medical Services (EMS), Mobile Integrated Healthcare–Community Paramedicine (MIH-CP), Local Public Health Agencies (LPHA))
- Care coordination integrating physical, behavioral and social health services
- Technical assistance and programs tailored to local needs



Tech and Data Interoperability

Create a statewide backbone for data interoperability that connects hubs, providers, and local partners to coordinate care, including:

- Hub data integration
- Community Information Exchange (CIE) for closed-loop referrals and shared care plans
- Data standards and compliance
- Public health connectivity



Rural Health Workforce Pathways

Create an integrated rural health workforce pipeline that connects education, training, and employment to grow and retain Missouri's healthcare talent locally, including efforts on:

- New entry points into health careers through high school, college, and training programs
- Expanding maternal and behavioral health training opportunities
- Clinical placement and retention supports across rural communities



Provider Transformation & Sustainability

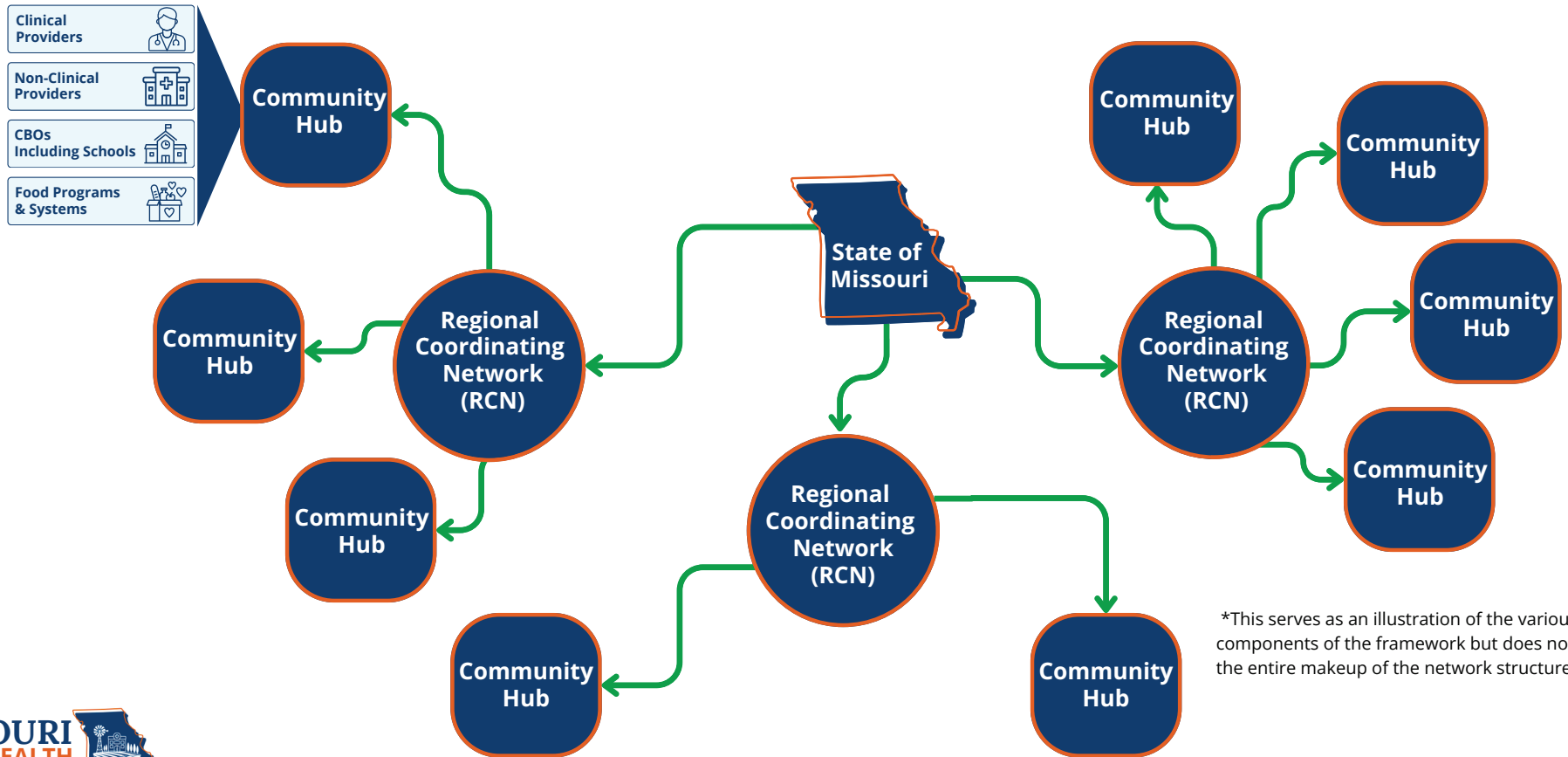
Ensure the long-term financial, operational, and sustainable future of Missouri's rural healthcare system through:

- Strategic infrastructure access modifications
- Alternative payment innovations
- Operational innovation and tech-enablement

Transformative Framework for Missouri's Rural Health Network

A collaborative structure dedicated to amplifying the unique voices and needs of rural communities.

Local Decisions. Local Results.



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Mike Kehoe

GOVERNOR
STATE OF MISSOURI

Governor's Endorsement for Missouri's Rural Health Transformation (RHT) Plan

October 31, 2025

The Honorable Mehmet Oz
Administrator, Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Administrator Oz,

I am writing to express my full support for and commitment to the proposed Rural Health Transformation (RHT) Plan for the State of Missouri. Missouri's submission is a bold, collaborative effort designed to increase access, improve quality, enhance care coordination, and incentivize long-term sustainability to create a healthcare ecosystem that will support our rural communities for generations to come.

I am pleased to share that the Missouri Department of Social Services (DSS), led by Director Jessica Bax, will assume the lead role in administering the program and will ensure its successful implementation.

The Missouri Plan: Built on A Foundation of Collaboration and Partnership

While this application was being developed, my staff and I worked closely with the Missouri Department of Social Services to ensure Missouri's RHT Plan engaged Missouri's congressional delegation, state legislature, and key healthcare stakeholders, including leaders from the Missouri Department of Mental Health (DMH), Missouri Department of Health and Senior Services (DHSS), State Office of Rural Health, Missouri Hospital Association, Missouri Primary Care Association, and Missouri Behavioral Health Council. Missouri received and reviewed hundreds of comments from local, regional, and statewide partners through the Department of Social Service's Rural Health Portal, providing valuable input.

Over recent months, our healthcare partners have collaborated to develop a bold, transformative plan for rural healthcare in Missouri. In an unprecedented commitment to the state, leaders have placed their own self-interests aside and put the needs of Missourians first. Through implementation, Missouri will continue to incorporate stakeholder feedback through the Rural Health Transformation Office's governance councils, regional network meetings, and public review.

The Missouri Plan: Cementing Our Future Through Ongoing Engagement

Our administration is committed to ensuring the success of Missouri's Rural Health Transformation Plan through several key state-level actions, including continued robust collaboration across multiple state agencies, as well as crucial legislation and regulatory changes that will improve the health and well-being of all Missourians.

Missouri welcomes the re-establishment of the National Presidential Fitness Test via EO 14327, and upon the issuance of federal guidance, Missouri commits to aligning state regulations with the new federal fitness standards by or before December 31, 2028. Our administration is committed to ensuring young Missourians understand the importance of physical fitness and value its contributions to their overall health and well-being.

At my direction, through EO 25-30, the Missouri Department of Social Services (DSS) has submitted a waiver to the United States Department of Agriculture Food and Nutrition Service to refocus Missouri's Supplemental Nutrition Assistance Program (SNAP) on the purchase of healthy foods and supporting local agriculture. On October 22, Missouri's waiver was sent to Secretary Rollins' desk and is pending her final approval. The waiver will prohibit the use of SNAP to purchase non-nutritious items including candy, prepared desserts, soda (including sweetened drinks), as well as fruit and vegetable drinks with less than 50 percent natural juice. Missouri expects implementation to occur by October 1, 2026, and commits to implementation by December 31, 2027.

Missouri has already begun the process of changing regulation to require at least one CME hour in nutrition for licensed physicians by October 31, 2026.

The State of Missouri commits to joining the Physician Assistant Licensure Compact, through legislation filed in the 2026 state legislative session, with full enactment by December 31, 2027.

We also commit to working with the Missouri General Assembly to file legislation during the 2026 state legislative session to solidify the process by which out-of-state physicians can practice telehealth medicine in Missouri, with enactment by December 31, 2027.

Additionally, our administration will reassess Missouri's current scope of practice laws and regulations for Nurse Practitioners, Physician Assistants, Pharmacists, and Dental Hygienists. This re-evaluation will identify reforms to increase the availability of services provided by these professionals in rural areas and enable them to reach rural Missourians who are struggling to access local care.

These coordinated efforts and commitments across various departments and regulatory frameworks are designed to ensure that Missouri's Rural Health Transformation Plan is embedded into every facet of our healthcare system, creating a lasting impact for future generations.

As Governor of the State of Missouri, I certify that no award funds will be expended on prohibited activities under 42 U.S.C. 1397ee(h)(2)(A)(ii), in compliance with funding policies and limitations.

The Missouri Plan: A Blueprint for a Stronger Missouri

This historic funding opportunity will ensure rural Missourians have access to an effective and sustainable healthcare delivery system uniquely crafted to meet the needs of their local communities. Missouri's RHT Plan will benefit all of rural Missouri because it is designed to strengthen the long-term sustainability of rural providers and improve care coordination through targeted investments in data infrastructure and the adoption of innovative technologies. These investments build a foundation for the state to effectively implement payment models to reflect the realities of rural care delivery.

Missouri's RHT plan will allow rural providers to collaborate amongst themselves, and with high-quality regional partners, to enhance operations, technology, and care delivery. This will improve healthcare delivery and access for all residents by connecting traditional healthcare providers, pharmacies, local public health agencies, at-home resources, and digital health tools through a unified rural regional coordinating network composed of well-aligned local community hubs.

I am confident Missouri's RHT Plan will provide rural Missouri families with increased access to primary care, behavioral health services, and maternity care options in their local communities, while also improving access to specialty and complex care through telehealth services and patient-facing technology investments, made possible through a well-aligned delivery system that is built to last.

Thank you for your careful review and consideration of Missouri's application. We are eager to receive your feedback and the opportunity to begin implementing our RHT Plan. Your support and collaboration are crucial, and we look forward to getting started on this important journey to improve healthcare access and outcomes for rural Missourians.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Kehoe", with a long horizontal flourish extending to the right.

Mike Kehoe
Governor